

Message Text

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PAGE 01 BAGHDA 00489 201134Z

43

ACTION EA-14

INFO OCT-01 NEA-10 ISO-00 SS-15 NSC-10 CIAE-00 DODE-00

INR-10 NSAE-00 PA-03 RSC-01 USIA-15 PRS-01 SPC-03

EB-11 COME-00 TRSE-00 AID-20 XMB-07 OPIC-12 CIEP-02

DRC-01 AGR-20 /156 W

----- 014718

R 141300Z SEP 73

FM USINT BAGHDAD

TO SECSTATE WASHDC 528

INFO AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

AMEMBASSY KUWAIT

AMEMBASSY TOKYO

LIMITED OFFICIAL USE BAGHDAD 0489

EO 11652: N/A

TAGS: ENRG, IZ, JA

SUBJECT: JAPANESE ACTIVITIES IN IRAQ

REF: BAGHDAD 352

1. JAPANESE AMBASSADOR SHIMA TOLD ME SEPTEMBER 11 THAT
MISUBISHI SIGNING CONTRACT THAT DAY WITH MINISTRY OF INDUSTRY
FOR SEVEN FOLD EXPANSION OF BASRA CHEMICAL FERTILIZER PLANT
WHICH IT HAD BUILT EARLIER. PRESS SAID NEW CAPACITY WOULD
BE 1300 TONS OF UREA FERTILIZER PER DAY AND THAT PLANT WOULD
CONSUME ABOUT 40 MILLION CUBIC FEET OF NATURAL GAS PER DAY.
CONTRUCTION TO TAKE 36 MONTHS.

2. WITH REGARD TO AP STORY THAT 4 JAPANESE COMPANIES SIGNED
PROVISIONAL ACCORD WITH INOC TO EXTEND 500 MILLION DOLLAR
LOAN IN RETURN FOR 100 MILLION TONS OF OIL AND 30 MILLION
TONS OF LNG, SHIMA SAID REPORT WASL FALSE AS FAR AS HE KNOWS
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PAGE 02 BAGHDA 00489 201134Z

AND HE WAS CERTAIN SUCH A DEAL COULD NOT GO FORWARD WITHOUT

GOJ AUTHORIZATION. SHIMA ADDED, HOWEVER, THAT THIS IS KIND OF PROJECT THAT HE WOULD LIKE TO FACILITATE TO INSURE JAPAN'S LONG TERM ACCESS TO IRAQI PETROLEUM.

3. COMMENT: JAPANESE FIRMS SEEM TO BE MOST ACTIVE BIDDERS FOR FUTURE IRAQI LNG AND LPG. CHEMICO REPRESENTATIVE TOLD ME LAST OCTOBER THAT, JUST PRIOR TO IPC NATIONALIZATION, JAPANESE HAD TENTATIVELY ARRANGED 300 MILLION DOLLARS FOR FINANCING FOREIGN EXCHANGE COSTS OF LPG PLANT AND TERMINAL (80 MILLION) AND LNG PLANT (300 MILLION). PLAN WAS TO DO LPG PLANT FIRST. MEES OF AUGUST 24 REPORTED THAT MITSUBISHI SIGNED 15 YEAR CONTRACT WITH INOC IN MARCH FOR 1.2 MILLION MTA OF LPG STARTING IN 1976. ENGINEERING FOR LNG PLANT NOW BEING DONE BY CHEMICO.

4. OTHER RECENT MAJOR CONTRACT CAPTURED BY JAPANESE IS 20 MILLION DOLLAR CONTRACT SIGNED IN JULY FOR IMPLEMENTING ABOUT 60 PERCENT OF COUNTRYWIDE MICROWAVE SYSTEM.
LOWRIE

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NNN

Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01 JAN 1960
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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Declassified/Released
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EO Systematic Review
30 JUN 2005

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